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## SENATE BILL NO. 1267

Offered January 14, 2009

Prefiled January 14, 2009

A BILL to amend the Code of Virginia by adding in Title 54.1 a chapter numbered 23.4, consisting of sections numbered 54.1-2355 through 54.1-2358, relating to the Department of Professional and Occupational Regulation; licensure of business brokers.

Patron—Vogel

Referred to Committee on General Laws and Technology

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Title 54.1 a chapter numbered 23.4, consisting of sections numbered 54.1-2355 through 54.1-2358, as follows:**

**CHAPTER 23.4.**

**BUSINESS BROKERS.**

**§ 54.1-2355. Definitions.**

*As used in this chapter, unless the context requires a different meaning:*

"Business" means an existing business, goodwill of an existing business, any interest therein, or any one or combination thereof, where the transaction is not a securities transaction involving securities subject to Chapter 5 (§ 13.1-501 et seq.) of Title 13.1 and wherein the sale or exchange of real estate is not the dominant element of the transaction.

"Business broker" means any person who in return for a fee or commission provides business broker services.

"Business broker services" means the following services: (i) promising to procure a business for any person or assist any person in procuring a business from any third person; (ii) negotiating, offering, attempting or agreeing to negotiate the sale, exchange, or purchase of a business; (iii) buying, selling, offering to buy or sell or otherwise dealing in options on businesses; (iv) assisting or directing in the procuring of prospects intended to result in the purchase, sale, lease, or exchange of a business; or (v) offering, promoting, listing or agreeing to offer, promote, or list a business for sale, lease, or exchange.

"Client" means any person who has signed an agreement with a business broker that provides for business broker services to be performed.

"Department" means the Department of Professional and Occupational Regulation.

"Director" means the Director of the Department of Professional and Occupational Regulation.

"Person" means any natural person, partnership, association, corporation or trust.

"Purchaser" means a person who enters into a contract or agreement for the acquisition of a business or a person to whom an offer to sell a business is directed.

"Seller" means a person who sells or offers to sell a business or any agent who directly or indirectly acts on behalf of such person, except that a person acting as a business broker is neither a seller or purchaser.

**§ 54.1-2356. Exemptions.**

*The provisions of this chapter shall not apply to:*

1. Gratuitous services as a business broker;
2. Services rendered by an attorney-at-law in the performance of his duties as such; or
3. Services rendered by a person acting as a receiver, trustee in bankruptcy, administrator or executor, or any person selling real estate under order of any court.

**§ 54.1-2357. License required.**

*It shall be unlawful on or after January 1, 2010, for any person who does not have a business broker license to contract with another person, for compensation, to carry out business broker services.*

**§ 54.1-2358. Regulations.**

*The Director shall administer and enforce this chapter. The Director shall:*

1. Promulgate regulations necessary to carry out the requirements of this chapter in accordance with the provisions of the Administrative Process Act (§ 2.2-4000 et seq.) to include but not be limited to the prescription of fees, procedures, and qualifications for the issuance and renewal of business broker licenses;
2. Approve the criteria for accredited business broker training programs; and
3. Approve accredited business broker training program examinations and the grading system for testing applicants for business broker licenses.

**2. That the Director of the Department of Professional and Occupational Regulation shall**

INTRODUCED

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**59 promulgate regulations to implement the provisions of this act to be effective within 280 days of its**  
**60 enactment.**